

GOVERNMENTAL FINANCE

CHAPTER 189

S. B. No. 59
(Longmire, Roen, Ringsak)

DEBT LIMITATIONS OF POLITICAL SUBDIVISIONS

AN ACT

To amend and reenact section 21-03-04 and subsections 1, 5, and 6 of section 21-03-06 of the North Dakota Century Code to provide that debt limitations of certain political subdivisions shall not exceed the limitations established by section 183 of the state Constitution.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 21-03-04 of the 1965 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

21-03-04. Grant of Power to Borrow—General Limitations of Indebtedness.) Every municipality may borrow money and issue municipal obligations thereof for the purpose specified and by the procedure provided in this chapter, and for no other purpose and in no other manner, except as otherwise provided in section 21-03-02. No municipality shall incur indebtedness in any manner or for any purpose in an amount which, with all other outstanding indebtedness of the municipality, shall exceed five percent of the assessed value of the taxable property therein, except:

1. Any incorporated city, by a two-thirds vote of the qualified voters thereof voting upon said question at a general or special election, may increase such limit of indebtedness three percent on such assessed value beyond said five percent limit, and a school district, by a majority vote of the qualified voters thereof voting upon said question at a general or special election, may increase such limitation of indebtedness five percent on such assessed value beyond the said five percent limit;
2. Any county or city, when authorized by a majority vote of the qualified voters thereof voting upon said question at a general or special election, may issue bonds upon any revenue producing utility owned by such county or city, for the purchase or acquisition of such utility, or the building or establishment thereof, in amounts not

exceeding the physical value of such utility, industry, or enterprise;

3. Any incorporated city, if authorized by a majority vote of the qualified voters thereof voting upon said question at a general or special election, may become indebted in any amount not exceeding four percent of such assessed value, without regard to the existing indebtedness of said city, for the purpose of constructing or purchasing waterworks for furnishing a supply of water to the inhabitants of such city or for the purpose of constructing sewers, and for no other purposes whatever, but the aggregate of such additional indebtedness for waterworks and sewers never shall exceed such four percent over and above the limitations of indebtedness in this section heretofore prescribed.

All bonds or obligations in excess of the amount of indebtedness permitted by this chapter, given by any municipality as herein defined, shall be void.

§ 2. Amendment.) Subsections 1, 5, and 6 of section 21-03-06 of the 1965 Supplement to the North Dakota Century Code are hereby amended and reenacted to read as follows:

1. By any county:

- a. To provide county buildings, but all outstanding unpaid bonds for this purpose shall not exceed in amount at any one time one and one-half percent of the value of the taxable property in such county, except that any county maintaining a county agricultural and training school may issue bonds in excess of such limit to provide buildings for such school but all outstanding unpaid bonds for such purpose shall not exceed in amount at any one time one percent of the value of the taxable property in such county;
- b. To construct or aid in the construction of bridges within or without such county, but all outstanding unpaid bonds for such purpose shall not exceed in amount at any one time one percent of the value of the taxable property in such county; and
- c. To provide funds for the original construction and for the improvement and maintenance of highways, but all outstanding unpaid bonds for these purposes shall not exceed in amount at any one time one percent of the value of the taxable property in such county.

5. By any township:
 - a. For the erection of a township hall and the purchase of a site therefor; and
 - b. For the construction of roads and bridges, but all outstanding unpaid bonds for road and bridge purposes shall not exceed in amount at any one time one and one-half percent of the value of the taxable property in such township.
6. By any park district which constitutes a distinct municipality, to provide for acquiring, laying out, and improving parks, parkways, boulevards, and pleasure drives, and to acquire land for these purposes, but such indebtedness shall not at any time exceed one percent of the value of the taxable property in such park district.

Approved February 15, 1967.

CHAPTER 190

S. B. No. 332
(Lowe, Freed)

GENERAL OBLIGATION BOND ELECTIONS

AN ACT

To amend and reenact section 21-03-11 of the North Dakota Century Code, relating to when general obligation bond elections are to be held.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 21-03-11 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

21-03-11. Elections — When and How Called and Held.) Upon or after the adoption of an initial resolution by the governing body, or at the first meeting of the governing body held after the filing of a petition and proposed initial resolution by the voters as specified in section 21-03-10, subsection 2, the governing body by resolution shall provide for submitting to the qualified voters of the municipality the question whether such initial resolution shall be approved. The date of such election shall be not less than twenty days after the passage of such initial resolution by the governing body or in the filing of a sufficient petition therefor by the voters. The governing body shall designate the date of such election, the polling hours,

and polling place thereof, which shall be the same as for municipal elections therein, and shall appoint an inspector, two judges, and two clerks of election for each polling place. In case of the absence of any such official of election, or his inability to act at the opening of the polls, the remaining election officials for the precinct shall appoint a qualified voter to fill such vacancy. Such election shall be conducted and the returns thereof made and canvassed as in the case of elections of members of the governing body of such municipality.

March 14, 1967.

CHAPTER 191

H. B. No. 819
(Backes, Fossum)

CUSTODIANS OF SCHOOL AND PUBLIC FUNDS

AN ACT

To amend and reenact section 11-14-13, subsection 6 of section 15-29-12, and sections 21-03-40 and 21-04-18 of the North Dakota Century Code, providing that school district treasurers may be custodians of sinking funds of school districts when authorized by the school board and that county treasurers shall remit school funds monthly.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 11-14-13 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

11-14-13. Treasurer's Accounts with School Districts—Disbursements.) 1. The county treasurer shall keep a regular account with each school district in the county. He shall charge himself in such account with: the amount collected on taxes levied by the governing body of the school district; all sums apportioned to the district by the county superintendent of schools or other authority; and all sums received from the district. He shall credit himself with: all payments made to the treasurer of the district and shall distinguish between items paid by apportionment, from county taxes, and from other sources; all payments for redemption of or endorsement upon school district warrants in the collection of taxes; and all items of legal fees for collection and other duties performed.

2. Whenever a school district is authorized by law to be the custodian of its own funds and exercises such authorization,

the county treasurer shall remit to such school district the funds for which the school district is custodian on or before the tenth day of each calendar month.

§ 2. Amendment.) Subsection 6 of section 15-29-12 of the 1965 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6. Shall receive and have custody of all moneys from every source which the school board of the district is authorized to receive.

§ 3. Amendment.) Section 21-03-40 of the 1965 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

21-03-40. Sinking Funds — Custodian.) The county treasurer shall be custodian of each sinking fund for the payment of bonds issued by each taxing district within the county except in case of any city or park district having a population of more than one thousand and any school district which upon the passage of a resolution by the school board chooses to have its treasurer be custodian of such sinking fund. In the case of any city or park district having a population of more than one thousand, or a school district approving a resolution as provided in this section, the treasurer of the respective city, park district, or school district shall be custodian of each of its sinking funds.

§ 4. Amendment.) Section 21-04-18 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

21-04-18. Interest Rates.) Depositories of public funds in this state shall pay substantially the same rate of interest thereon as such banks pay upon individual deposits.

Approved March 15, 1967.

CHAPTER 192

S. B. No. 251

(Melland, Coughlin, Larsen(18), Wilhite)

CITY GENERAL OBLIGATION BONDS FOR STREET
IMPROVEMENTS

AN ACT

To create and enact a new subsection 5 of section 21-03-07 of the North Dakota Century Code, relating to the issuance of general obligation bonds of cities, by resolution of the governing body subject to protest by taxpayers, for the purpose of street improvements on arterial streets including federal and state highways and at intersections with streams, drains, and railways, and improvements incidental to urban renewal projects.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1.) A new subsection 5 of section 21-03-07 of the North Dakota Century Code is hereby created and enacted to read as follows:

5. The governing body of any city may also by resolution adopted by a two-thirds vote authorize and issue general obligation bonds of the city for the purpose of providing funds to pay the cost of any improvement of the types stated below, to the extent that the governing body determines that such cost should be paid by the city and should not be assessed upon property specially benefited thereby; provided that the initial resolution authorizing such bonds shall be published in the official paper, and any owner of taxable property within the city may within sixty days after such publication file with the city auditor a protest against the adoption of the resolution. If the governing body finds such protests to have been signed by the owners of taxable property having an assessed valuation equal to five percent or more of the assessed valuation of all taxable property within the city, as theretofore last finally equalized, all further proceedings under such initial resolution shall be barred. This procedure is authorized for the financing of the following types of improvements:
 - a. Any street improvement, as defined in subsection 2 of section 40-22-01, to be made in or upon any federal or state highway or any other street designated by ordinance as an arterial street.
 - b. The construction of a bridge, culvert, overpass, or underpass at the intersection of any street with a

stream, watercourse, drain, or railway, and the acquisition of any land or easement required for that purpose.

- c. Any improvement incidental to the carrying out of an urban renewal project, the issuance of bonds for which is authorized by subsection 4 of section 40-58-13.

Nothing herein shall be deemed to prevent any municipality from appropriating funds for or financing out of taxes, special assessments or utility revenues any work incidental to any such improvement, in the manner and to the extent otherwise permitted by law.

Approved March 8, 1967.

CHAPTER 193

H. B. No. 592
(Bier, Giffey)

REPORTS OF STATE TREASURER

AN ACT

To repeal section 21-04-20 of the North Dakota Century Code, relating to reports of the state treasurer.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Repeal.) Section 21-04-20 of the North Dakota Century Code is hereby repealed.

Approved February 15, 1967.

CHAPTER 194

S. B. No. 56

(Lips, Torgerson, Chesrown)

INVESTMENTS OF SURPLUSES BY POLITICAL
SUBDIVISIONS

AN ACT

To amend and reenact section 21-06-07 of the North Dakota Century Code, relating to investments of surpluses by political subdivisions.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 21-06-07 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

***21-06-07. Political Subdivisions May Invest Surpluses.)** From and after the passage and approval of this section, it shall be lawful for counties, cities, villages, school districts, park districts and townships in this state to invest surpluses in their general fund, or surpluses in any special or temporary fund, in bonds, treasury bills and notes or other securities which are a direct obligation of the treasury of the United States or of an instrumentality thereof, provided, however, that bonds, treasury bills and notes or other securities so purchased shall be taken into consideration in making levies for the ensuing year, and when funds are needed for current expenses, the governing board and authorities of such municipalities shall be authorized to convert said obligations into cash.

Approved February 15, 1967.

***Note:** Section 58 of chapter 323, 1967 S.L., also amended section 21-06-07.

CHAPTER 195

H. B. No. 733

(Backes, Erickson(26), Stoltenow, Dahl, Allen, Sanstead)

GOVERNMENT AUTHORITY TO CONTRACT WITH
UNITED STATES

AN ACT

To amend and reenact section 21-06-08 of the North Dakota Century Code, relating to the authority of the state or any department, division, bureau, commission, board, authority, agency or political subdivision thereof to contract with the United States of America or any agency thereof for the purchase of any equipment, supplies, materials or other property.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 21-06-08 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

21-06-08. Authority to Contract with the Federal Government—Delegation of Authority.) The state or any department, division, bureau, commission, board, authority, agency or political subdivision thereof, may enter into any contract with the United States of America or with any agency thereof for the purchase or lease of any equipment, supplies, materials or other property without regard to provisions of law which require:

1. The posting of notices or public advertising for bids or of expenditures;
2. The inviting or receiving of competitive bids;
3. The delivery of purchases before payment;
4. The payment of the cost of the contract out of funds theretofore included in the budget of appropriations for the year, provided, however, that the governing body or executive authority, as the case may be of any department, division, bureau, commission, board, authority, agency or political subdivision of the state may designate by appropriate resolution or order any official or employee of its own to enter a bid or bids in its behalf at any sale of any equipment, supplies, materials or other property owned by the United States of America or any agency thereof, and may authorize said person to make any down payment, or payment in full, required in connection with such bidding.

Approved March 1, 1967.

CHAPTER 196

S. B. No. 343

(Sands, Ruemmele)

1967 BOND VALIDATING ACT

AN ACT

To amend and reenact sections 21-09-01 and 21-09-05 of the North Dakota Century Code, changing the title of "The 1965 Bond Validating Act" to "The 1967 Bond Validating Act", and relating to the application of chapter 21-09 of the North Dakota Century Code to bonds issued and proceedings taken prior to July 1, 1967.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 21-09-01 of the 1965 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

21-09-01. Citation.) This chapter may be cited as "The 1967 Bond Validating Act".

§ 2. Amendment.) Section 21-09-05 of the 1965 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

21-09-05. Application of Chapter.) The provisions of chapter 21-09 relating to validation shall be applicable to all bonds issued and proceedings taken by any public body prior to July 1, 1967.

Approved March 7, 1967.

CHAPTER 197

S. B. No. 216
(Hernett, Meschke, Lips)

STATE TRUST FUND RESERVES

AN ACT

To amend and reenact section 21-10-08 of the 1965 Supplement to the North Dakota Century Code, relating to reserves and their percentage limitations and standards therefor in investing state trust funds.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 21-10-08 of the 1965 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

21-10-08. Reserves — Percentage Limitations.) In order to meet claims and liabilities reserves shall be established and maintained in each of the funds in accordance with recommendations of the authorized fiduciaries thereof consisting of cash, bank of North Dakota certificates of deposit or short term United States government securities in amounts between one percent and ten percent of the assets of each fund.

The board may authorize temporary deviations from the amounts of such reserves in its sound discretion.

Not more than fifty percent of the assets of any fund shall be invested in securities authorized by subsections 8, 9, and 10 of section 21-10-07.

Approved February 24, 1967.

CHAPTER 198

H. B. No. 715

(Aamoth, Hilleboe, Tweten, Haugland, Boustead)

INVESTMENTS OF PENSION AND OTHER FUNDS

AN ACT

To amend and reenact sections 18-11-13, 18-11-16, 40-45-06, and 40-46-08 of the North Dakota Century Code, relating to investments of surplus funds in the cities' employees' pension fund, policemen's pension fund and alternate firemen's association general fund and state fund.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 18-11-13 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

18-11-13. Association State Fund and Association General Fund—Expenditures—Investment.) The moneys received by the association are to be kept in an "association state fund" or in an "association general fund". The moneys received from the state, city, or employee's salary contribution shall be deposited in the "association state fund" and may be expended only for the purposes named in section 18-11-14. All other moneys shall be deposited in the "association general fund" and may be expended for other purposes related to the general principles for which this chapter is established. The relief association shall manage and control all funds that come into its possession. Moneys in these funds may be invested in bonds of the United States of America, bonds of the state of North Dakota or any other state, in certificates of indebtedness of the state of North Dakota, in any bonds or certificates of indebtedness of any political subdivision of the state of North Dakota which constitute the general obligations of the issuing tax authority, or the bank of North Dakota or any other bank or savings and loan association which is insured by the United States of America. The board may also invest all or part of the moneys in these funds in other investments by selecting a funding agent or agents and establish an investment agreement contract regarding such funds. The contract shall authorize the funding agent or agents to hold and invest such funds for the board and such funds invested shall be placed for investment only with a firm or firms whose primary endeavor is money management, and only after a trust agreement or contract has been executed.

§ 2. Amendment.) Section 18-11-16 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

18-11-16. Disability Pensions—Qualifications.) Any member of the relief association who is unable because of physical or mental disability, to perform the duties of a fireman shall receive monthly a disability pension equal to fifty percent of the monthly salary of a first class fireman on January first of the year that the pension is being paid, unless such member is eligible for a larger service pension in which case he shall draw an amount equal to his service pension. No member shall receive a disability pension unless he is disabled for a period of at least seven consecutive days, at which time he shall be paid from the time of disability. However, no member shall receive a disability pension for the days he was reimbursed by the city for accumulated sick leave.

§ 3. Amendment.) Section 40-45-06 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

40-45-06. Investment of Surplus in Funds — Limitations.) At the end of the fiscal year, the board of trustees may invest any surplus left in the policemen's pension fund, but no part of the moneys realized from any tax levy shall be used for any purpose other than the payment of pensions. Such surplus funds may be invested in interest-bearing bonds of the United States or the state of North Dakota, or bonds or warrants of any county, township, or municipal corporation of this state which constitute the general obligations or contingent general obligations of the issuing tax authority, or investments with any federally insured bank or savings and loan association. All securities shall be deposited with the treasurer of the board for safekeeping. The board may also invest all or part of such surplus funds in other investments by selecting a funding agent or agents and establish an investment agreement contract regarding such surplus funds. The contract shall authorize the funding agent or agents to hold and invest such funds for the board and such funds shall be placed for investment only with a firm or firms whose primary endeavor is money management, and only after a trust agreement or contract has been executed.

§ 4. Amendment.) Section 40-46-08 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

40-46-08. Investment of Surplus in Fund—Limitations.) At the end of each fiscal year, the board of trustees may invest any surplus left in the city employees' pension fund, but no

part of the moneys realized from any tax levy shall be used for any purpose other than the payment of pensions. Such surplus funds may be invested in interest-bearing bonds of the United States or the state of North Dakota, or bonds or warrants of any county, township, or municipal corporation of this state which constitute the general obligations or contingent general obligations of the issuing tax authority, or investments with any federally insured bank or savings and loan association. All securities in which moneys belonging to the fund are invested shall be deposited with the treasurer of the board for safekeeping. The board may also invest all or part of such surplus funds in other investments by selecting a funding agent or agents and establish an investment agreement contract regarding such surplus funds. The contract shall authorize the funding agent or agents to hold and invest such funds for the board and such funds shall be placed for investment only with a firm or firms whose primary endeavor is money management, and only after a trust agreement or contract has been executed.

Approved March 15, 1967.

CHAPTER 199

S. B. No. 107

(Sorlie, Litten, Robinson)

(From Legislative Research Budget Committee Study)

TRANSFER OF GENERAL OBLIGATION AND KOREAN BONUS FUNDS

AN ACT

To provide for transferring balances from Korean bonus sinking fund to the general fund.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Transfer of Funds.)** All existing funds in the state treasurer's sinking fund for the state of North Dakota general obligation bonds, Korean conflict adjusted compensation series, in excess of those funds needed to redeem all outstanding bonds and interest coupons shall be transferred by the state treasurer to the general fund. Any additional income to the fund received after such transfer shall be transferred to the general fund by the state treasurer.

Approved March 14, 1967.

CHAPTER 200

S. B. No. 400

(Committee on Delayed Bills)

TRANSFER OF SPECIAL AUDITS AND TAYLOR
GRAZING ACT FUNDS

AN ACT

To provide for the transfer of funds in the state auditor special audits fund, and funds received by the state treasurer under the Taylor Grazing Act prior to 1963, to the general fund in the state treasury, and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Transfer of Funds from State Auditor Special Audits Fund.) The remaining balance of the funds appropriated to the state auditor special audits fund by chapter 27 of the 1961 Session Laws, in the amount of \$14,431.63 are hereby transferred to the state general fund.

§ 2. Transfer of Funds Received Under Taylor Grazing Act Prior to 1963.) There being no adequate record of acreage in each county to permit an equitable distribution, the funds received by the state treasurer under the provisions of the Taylor Grazing Act, 43 United States Code 3151, prior to the year 1963, in the amount of \$20,575.22, are hereby transferred to the state general fund. The funds received after the year 1963 shall continue to be distributed as provided for in section 8 of chapter 201 of the 1963 session laws. (15-40-22.1)

§ 3. Emergency.) This Act is hereby declared to be an emergency and shall have full force and effect from and after the date of its passage and approval.

Approved March 14, 1967.